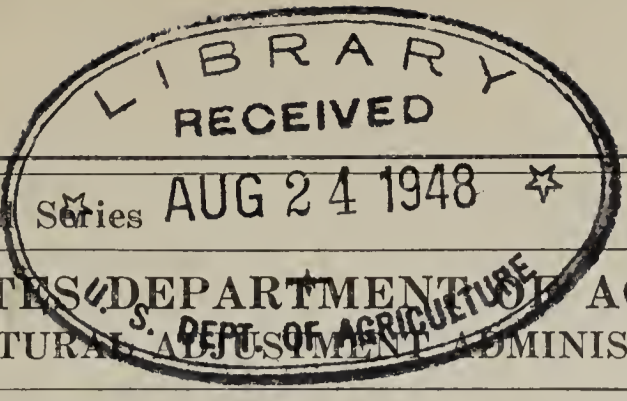


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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

1938 A. A. A. FARM PROGRAM - - - - - NORTH CENTRAL REGION

THE 1938 FARM PROGRAM FOR INDIANA, ILLINOIS, IOWA, MISSOURI, MICHIGAN, MINNESOTA, OHIO, AND WISCONSIN

FARMERS, by meeting only two requirements, can participate fully in the 1938 A. A. A. Farm Program: (1) Keep plantings of soil-depleting crops within soil-depleting acreage allotments for the farm, and (2) use soil-building practices to meet the soil-building goal for the farm.

Each farmer will be informed by his county committee of the soil-depleting acreage allotments and the soil-building goal for his farm. The soil-depleting acreage allotments represent the farmer's fair share of desirable total national production. The soil-building goal represents the amount of soil conservation which should be accomplished on the farm through soil-building practices.

If a farmer keeps his 1938 plantings of soil-depleting crops within the soil-depleting acreage allotments and uses sufficient soil-building practices to meet the soil-building goal, he will qualify for full payment. If a farmer is unable to meet the requirements fully he may qualify for partial payment.

Marketing quotas and commodity loans are additional provisions of the program that are made available through the Agricultural Adjustment Act of 1938. Their object is to provide an ever-normal granary to protect consumers by maintaining adequate reserves, and to protect farmers against price collapses that have hitherto penalized excessive production and marketings.

Marketing quotas will be available when needed and will provide for marketing normal supplies and storing surpluses for use in years of short crops. Marketing quotas, if approved by a 2-1 majority of farmers voting in a referendum, will be in effect when there are excessive supplies. Commodity loans will protect prices and enable farmers to obtain income from the stored surplus in big crop years.

LOANS AND QUOTAS FOR CORN AND WHEAT

Corn loans will be available in any marketing year when the corn supply is less than 10 percent above normal and the price is less than 75 percent of parity on November 15. When the supply is 10 percent or more above normal, corn loans will be available only if marketing quotas are approved by farmers in a referendum. Farmers in the commercial corn area who do not cooperate in the A. A. A. program will be eligible for corn loans only when marketing quotas are in effect, and then only on the amount of corn required to be stored and at 60 percent of the rate for cooperators. Farmers outside the commercial corn area who cooperate in the A. A. A. program will be

eligible for corn loans at 75 percent of the rate for cooperating farmers in the commercial area. Corn loan rates will depend upon the size of the current crop, ranging from 75 percent down to 52 percent of parity as the size of the crop and the loan risk increases.

If farmers generally do not exceed their corn-acreage allotments there will be no occasion to use marketing quotas, except in case of unusually high yields. Acreage allotments under the program are based on needs for domestic use, for exports, and for reserves, taking into consideration the carry-over from the previous crop.

Under the new Farm Act, there can be no marketing quotas on wheat in 1938 without further legislation. Wheat loans will be available in any marketing year in which the price of wheat on June 15 is less than 52 percent of parity, or the July crop estimate for wheat exceeds a normal year's domestic consumption and exports. Wheat loan rates will be not less than 52 percent and not more than 75 percent of parity. Farmers who do not cooperate in the A. A. A. program will be eligible for wheat loans only when wheat marketing quotas are in effect and at 60 percent of the rate to cooperators. The loans to noncooperators would be made only on the amount of wheat that would be subject to penalty if marketed.

In the case of both wheat and corn, if farmers voting in a referendum, veto marketing quotas, the quotas will not be in effect and loans will not be available on the crop of that year.

The object of the commodity-loan, acreage-allotment, and marketing-quota provisions is to help farmers carry over larger reserves for an ever-normal granary. This will give farmers the opportunity to protect themselves against the income-reducing effects of either extremely short crops or excessive surpluses. Stabilizing market supplies and prices of feed will help to stop the extreme swings in livestock production and in prices of livestock products. Stabilization of market supplies and prices of farm products at fair levels will help stabilize farm income and farm purchasing power.

Crop insurance for wheat, starting with the 1939 crop, is authorized under the new Farm Act. It will contribute to the Ever-Normal Granary and will give wheat producers and bread consumers better protection against crop failure. Wheat paid in by farmers as insurance premiums will increase wheat reserves. Payment for insurance on the 1939 wheat crop will be required before the crop is seeded, and may be made with wheat from the 1938 crop.

MORE DETAILED PROVISIONS

The foregoing summary includes the more important points on provisions, operation, and objectives of the 1938 A. A. A. Farm Program. More detailed information follows:

Acreage Allotments.—Total soil-depleting acreage allotments for all farms will be established on the basis of good soil management, tillable acreage, and the acreage of soil-depleting crops customarily grown. Individual soil-depleting crop acreage allotments will be established for wheat, cotton, and tobacco. Soil-depleting crop acreage allotments for corn and for potatoes will be established only on farms in counties where production of these crops is of commercial importance. Individual acreage allotments will be established also for wheat, cotton, and tobacco. The general soil-depleting acreage allotment for a farm will be the total soil-depleting allotment, less the sum of individual crop acreage allotments and the acreage of sugar beets in 1938.

Basis of Payment.—The total amount of payment which may be earned on any farm will be the sum of the following: \$1.25 (varying according to productivity of the land) for each acre in the general soil-depleting crop acreage allotment in excess of one-half of the sum of any cotton, Burley tobacco and dark air-cured tobacco acreage allotments established for the farm; 10 cents per bushel of the farm's normal yield of corn for each acre of the corn allotment; 12 cents per bushel of the farm's normal yield of wheat for each acre in the wheat allotment; 3 cents per bushel of the farm's normal yield of potatoes for each planted acre of the 1938 potato allotment; 2.4 cents per pound of the farm's normal yield of cotton for each acre in the cotton allotment; and payments on tobacco for each pound of the farm's normal yield of tobacco for each acre of the allotment at the rate of 0.5 cent for Burley, 1.5 cents for dark air-cured, and 1 cent for cigar-filler and cigar-binder.

If for any reason other than flood or drought the planted acreage of wheat, corn, cotton, or cigar-filler and cigar-binder tobacco is less than 80 percent of the allotment, the payment will be made on 125 percent of the acreage actually planted.

That portion of the payment for the farm which may be earned by using soil-building practices will be the sum of the following: 50 cents per acre of cropland in excess of the total soil-depleting acreage allotment; \$1.50 for each acre of the average annual acreage of land on which commercial vegetables were grown in 1936 and 1937; \$2 for each acre of commercial orchard on the farm on January 1, 1938, and 2 cents per acre of noncrop, open, pasture land, plus \$1 per animal unit of grazing capacity.

Soil-Building Practices.—Soil-building practices are measured in terms of units. The number of units required to qualify for full payment is two-thirds of the number of dollars of allowance on the cropland in excess of the total soil-depleting allotment, the commercial vegetable and commercial orchard land, and noncrop open pasture land. Credit may be earned at the following rates with the following practices:

One Unit per Acre:

1. Seeding adapted legumes and grasses alone or in mixtures, except timothy and redtop planted alone or mixed together.
2. Using specified green manure crops in accordance with specified provisions, in commercial orchards or on commercial vegetable or potato land.
3. Application of specified amounts of commercial fertilizers in accordance with specified provisions in connection with seeding of grasses and legumes on land on which no soil-depleting crop is planted.
4. Reseeding depleted pastures with 10 pounds per acre of adapted grasses or legumes.
5. Application of 2,000 pounds of ground limestone or its equivalent.
6. Application of not less than 2 tons, air-dry weight, of mulching materials, except manure, on commercial orchard or vegetable land.
7. Restoration of noncrop open pasture land in accordance with specified provisions.
8. Construction of 200 feet of standard terrace with proper outlets.

Two Units per Acre:

1. Cultivating, protecting, and maintaining by replanting if necessary, a full stand of at least 500 trees per acre of forest plantings or 200 trees per acre of windbreak or shelterbelt, planted between January 1, 1934, and January 1, 1938.
2. Improving a stand of forest trees in accordance with specified provisions.

Five Units per Acre.—Planting and protecting forest trees and trees for windbreak and shelterbelt purposes in accordance with good tree culture practice.

One-half Unit per Acre.—Seeding timothy or redtop or a mixture consisting solely of timothy and redtop.

One-fourth Unit per Acre:

1. Constructing contour furrows on noncrop open pasture land in accordance with specified provisions.
2. Stripcropping by alternating strips of legumes and grasses with intertilled crops in accordance with specified provisions.

One-eighth Unit per Acre:

1. Growing intertilled crops on the contour in accordance with specified provisions to prevent wind and water erosion.
2. Listing on the contour in accordance with specified provisions.

One-tenth Unit per Acre.—Basin listing in accordance with specified provisions.

Adapted Seed Requirements.—In order to count toward the soil-building goal, all seedings of alfalfa and mixtures containing alfalfa must be made with adapted alfalfa seed. All seedings of red clover and mixtures containing red clover must be made with adapted seed. The origin of alfalfa and red-clover seed must be certified.

Classification of Land.—Farm land will be classified as either depleting or nondepleting according to its use and this classification will be the basis upon which to compare 1938 acreage of soil-depleting crops with the soil-depleting acreage allotments for a farm.

In general, land will be classified as soil-depleting when planted to row crops or used for the production of small grains, except that small grains may be classified as nondepleting when used as green-manure crops in orchards or on commercial vegetable land.

Payment for Partial Performance.—If the acreage allotments are exceeded payments will be reduced as follows: Five times the payment rate for the farm for the acreage by which the corn or dark air-cured tobacco allotment is exceeded; and 10 times the payment rate for the acreage by which the allotment for potatoes, Burley tobacco, cigar-filler tobacco, or cigar-binder tobacco is exceeded. A deduction of eight times the payment rate for wheat will be made for the acreage by which the total soil-depleting acreage allotment is exceeded on farms for which a wheat acreage allotment is established. A deduction of eight times the payment rate on the general soil-depleting crop acreage allotment will be made for the acreage by which the total soil-depleting allotment is exceeded on farms for which no wheat acreage allotment is established.

Deductions for exceeding the cotton allotment will be made at the rate of 5 cents per pound of the farm's normal yield for each acre by which the cotton allotment is exceeded. Failure to achieve the soil-building goal will reduce the amount of payment that would otherwise be made by \$1.50 per unit short of the goal.

Payment Increases for Small Farms.—Under the provisions of the Agricultural Adjustment Act of 1938 payments will be proportionately larger to farmers on small farms. Payments of not more than \$20 will be increased 40 percent. Payments of more than \$20 but not more than \$40 will be increased by \$8 plus 20 percent of the amount over \$20. Payments of more than \$40 but not more than \$60 will be increased by \$12 plus 10 percent of the amount over \$40. Payments of more than \$60 but not more than \$186 will be increased by \$14. Payments of more than \$186 but less than \$200 will be increased to \$200.

Division of Payments and Deductions.—Payments and deductions will be divided between landlord and tenant in proportion as they share in the crop for which the payment is made, except that payments in connection with soil-building practices will be divided in the proportion in which landlord and tenant contribute to carrying out the practices.